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UK Oil & Gas Investments PLC  
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**2 February 2015**

**UK Oil & Gas Investments PLC  
("UKOG" or the "Company")**

**Acquisition of Interests in Core UK Oil Assets**

**Increase in interests in P1916 and PEDL126**

The Board of UKOG (AIM: UKOG) is pleased to announce that it has built upon its late October 2014 acquisition of Northern Petroleum's UK assets by acquiring further interests in offshore licence P1916 and onshore licence PEDL126, two core assets in UKOG's Southern UK exploration and appraisal portfolio.

UKOG is the operator of these two licences. These acquisitions take UKOG's operated interest in P1916 from 65% to 72.5% and in PEDL126 from 50% to 60%.

In P1916, which is located immediately offshore of the Isle of Wight, UKOG has previously indicated that it is investigating the possibility that early oil-mature Kimmeridge Clay hot shales might have directly charged interbedded Kimmeridge limestones, analogous to the Kimmeridge Bay and Balcombe fields, and as interpreted from the preliminary results of the recent Horse Hill-1 well in which UKOG has an interest.

UKOG is also investigating the possibility that the Kimmeridge Clay hot shales may also have charged the Portland Limestone lying at the base of the Kimmeridge Clay Formation within the identified M prospect in a situation analogous to the nearby Arreton-2 Portland oil discovery, drilled and tested by British Gas in 1974.

UKOG has applied (with Solo Oil plc and Angus Energy Limited) for the onshore acreage adjacent to P1916 in the UK 14th Landward Licencing Round. This onshore acreage includes the landward extension of the M prospect, the undeveloped Arreton Portland oil discovery, four further leads with stacked Jurassic and Triassic objectives and one lead with Jurassic limestone objectives.

UKOG has agreed, subject to normal regulatory and partner company approvals, to acquire from Egdon (E&P) Limited, for a nominal consideration of £10,000, its 7.5% interest in P1916 as well as the 10% interest of Egdon Resources U.K. Limited in UK onshore licence PEDL126 in the Weald Basin, which contains the Markwells Wood-1 Great Oolite oil discovery.

Further details of these two licences are provided in UKOG's corporate presentation of November 2014, available on UKOG's website: [www.ukogplc.com](http://www.ukogplc.com).

**David Lenigas, the Company's Chairman, commented:**

"UKOG is optimistic about the potential of the offshore Isle of Wight licence, which contains the large drill ready M Prospect, and also about the Markwells Wood-1 oil discovery, which lies immediately adjacent to and within the mapped oil water contact of the producing Horndean oil field in which UKOG has a participating interest."

**Glossary:**

|               |   |
|---------------|---|
| discovery     | a discovery is a petroleum accumulation for which one or several exploratory wells have established through testing, sampling and/or logging the existence of a significant quantity of potentially moveable hydrocarbons |
| electric logs | tools used within the wellbore to measure the rock and fluid properties of surrounding rock   |

|                   |   |
|-------------------|---|
|                   | formations  |
| gamma-ray log     | an electric log which measures natural background radioactivity emitted mainly by potassium, uranium and thorium isotopes used as a sedimentary lithology discriminator |
| hot shale         | a shale rock displaying average initial TOCs normally exceeding 2% and represented by a high gamma ray electric log reading   |
| oil-mature        | a term applied to source rocks which have received sufficient temperature and pressure over geological time to generate oil   |
| oil water contact | a bounding surface in a reservoir above which predominantly oil occurs and below which predominantly water occurs.  |

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**Ends**

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